

Jan. 28th, 2014

Comment from the Commonwealth Healthcare Network Fund Consortium (CHNF) on the decision of the Universal Service Administrator regarding rural clinic eligibility for the Healthcare Connect Fund (HCF)

BACKGROUND:

The Commonwealth Healthcare Network Fund Consortium (CHNF) is the responsible entity that is applying for the Healthcare Connect Fund (HCF) for the state of Kentucky. CHNF is sponsored and administered by the Kentucky Office of Broadband Outreach and Development (OBOD) and The Finance and Administrative Cabinet. The CHNF Consortium was created in July 2013 to organize non-profit healthcare providers across Kentucky to take full advantage of the benefits of the HCF, reducing the burden of cost for broadband services for these healthcare providers. The broad deployment of telehealth in Kentucky, led by the Kentucky TeleHealth Network (KTHN), the statewide, legislatively mandated telehealth initiative with over 200 healthcare member sites, and the growing interest in telehealth that will lead to exponential growth in this broadband-intensive activity will require a consolidated effort to reduce the cost of broadband services so these technologies can have the maximum positive impact on our state which historically is at the bottom of the country's healthcare metrics. The well-developed Kentucky Health Information Exchange (KHIE) is a national model for how individual healthcare facilities can adopt Electronic Health Record (EHR) technology and how those individual EHR systems can be integrated through a statewide HIE so all providers across the state can view a patient's complete medical history. While Kentucky's HIE deployment has been successful, it requires significant broadband capacity which is a financial drain on healthcare providers.

THE PROBLEM:

We are optimistic that the HCF will help make broadband services for healthcare providers more available and less financially burdensome. Expanded broadband capacity in healthcare facilities will help bring the right care to the right people at the right time in the right place, resulting in reduced costs and improved healthcare outcomes. But, we were disappointed to discover that non-profit urban health clinics will be excluded from a consortium application, even if that consortium is comprised of more than 50% rural healthcare facilities. This seems incongruous with the allowance for urban hospitals with less than 400 beds which are permitted to receive the full 65% subsidy as long as their consortium application includes over 50% rural healthcare facilities. Also, urban clinics were permitted in the USAC Pilot Project, which was a precursor to the current HCF.

WHY THIS IS IMPORTANT TO KENTUCKY:

After organizing the CHNF as the responsible entity for the consortium application, a letter of interest was distributed to healthcare facilities across Kentucky, requesting them to indicate whether they were interested in participating in the program. The response was overwhelming and convinced us that we must follow through with the consortium application from the CHNF. We received 95 letters which represented 855 individual healthcare facilities. 51.5% of the healthcare facilities were rural, so the Kentucky application would meet the >50% rural site criteria as set forth in the HCF consortium application guidelines. If the appeal is not granted, Kentucky could lose dozens, if not hundreds of urban clinics from the subsidy, many of which serve a significant rural population. For example, the Kentucky Clinic, the outpatient clinic of the University of Kentucky is in Lexington, a city of over 250,000 in a Metropolitan Statistical Area of over 450,000. Kentucky has a significant shortage of medical professionals which is especially critical in rural Kentucky, and many urban ambulatory clinics serve a significant population of rural patients who do not have access to these specialty services in their home communities. Based

on data from 2013, the Kentucky Clinic, the ambulatory clinic of UK Healthcare had 37.6% of all clinical visits were patients who traveled from outside Fayette County and the six contiguous counties in the UK Healthcare service area. This outmigration of patients from rural Kentucky to travel to urban ambulatory clinics where appropriate medical specialty services are available is very common and not limited to UK Healthcare. The decision to not permit the HCF subsidy for urban clinics that serve a significant rural population would be detrimental to the robust consortium that has been created to support healthcare delivery in the Commonwealth.

REQUEST:

We are asking that the Universal Service Administration reconsider the elimination of urban clinics from the HCF Consortium application on the grounds that healthcare clinics in urban settings often serve a much larger community of patients, including patients from rural America who do not have access to all the medical specialty services in their local healthcare facilities. It is vital that all non-profit healthcare providers, when a part of a consortium application, have access to the benefits of the HCF to help offset the cost of broadband services.



Rob Sprang, MBA
Director, Kentucky TeleCare
University of Kentucky, UK HealthCare
Co-Project Manager, Kentucky TeleHealth Network



Brian E. Kiser, MPA
Executive Director, Office of Broadband Outreach and Development
Finance and Administration Cabinet
Commonwealth of Kentucky